Agenda – Executive Policy Committee – March 21, 2023

BUDGET REVIEW

Item No. 10 Winnipeg Police Board – Preliminary 2023 Operating and Capital Budget Recommendations

WINNIPEG POLICE BOARD RECOMMENDATION:

On March 10, 2023, the Winnipeg Police Board recommended to Council:

1. That the Board provide Council with an estimate of $326,595,934 as the total operating costs of the Winnipeg Police Service in 2023 that are required to maintain an adequate and effective police service in Winnipeg, with the proviso that there are risks associated with the $9,226,701 expenditure management target that could result in an over-expenditure authorization request in 2023;

2. That the Board advise Council that it estimates the net mill rate support required for the Winnipeg Police Service in 2023 at $280,924,975 based on a revenue estimate of $45,670,959;

3. That the Board provide Council with an estimate of $3,034,000 as the total cost for approved capital projects for the Winnipeg Police Service in 2023 that are required to maintain an adequate and effective police service in Winnipeg, with a proviso that there are risks such as replacement of critical equipment that remain unfunded. The Board acknowledges the 2023 capital projects will be funded by external debt, which will result in increased debt and financing costs in future years;

4. That the Board advise Council of the risks associated with this budget recommendation, specifically the factors that may impact the budgeted expenditure management target. The risks identified in the Winnipeg Police Service 2023 Preliminary Budget Update presentation include:

    A. the addition of critical positions in the 911 Communications Centre without the associated funding;

    B. inflation on fuel, fleet parts and equipment, and IT maintenance agreements;

    C. growing demand for policing services relative to increasing number of calls for service and the increase in the population of the city;

    D. volume of major critical incidents escalating violent crime and complexity of investigations;

    E. fine revenue from traffic enforcement continuing to trend down;

WINNIPEG POLICE BOARD RECOMMENDATION (continued):

F. timing and outcome of the negotiation of new collective agreements that expired on December 31, 2021;

G. possible discontinuation of externally funded program agreements

H. operating budget risks and unfunded capital projects;

5. That the Board has adhered to The Police Services Act and refers the 2023 Preliminary Operating and Capital Budget as they pertain to the Winnipeg Police Service and as tabled by Executive Policy Committee, to Council for their consideration.

DECISION MAKING HISTORY:

WINNIPEG POLICE BOARD RECOMMENDATION:

On March 10, 2023, the Winnipeg Police Board passed the following motion:

WHEREAS section 19 of the Winnipeg Police Board By-Law requires the Winnipeg Police Board ("the Board") to "submit operating and capital estimates to Council that will show the amounts that will be required to maintain the Winnipeg Police Service and provide it with equipment and facilities";

AND WHEREAS subsection 29(1) of The Police Services Act states "To assist the council in developing the municipal budget, the police board must provide council with (a) an estimate of the costs required to operate the police service in the next fiscal year; and (b) any additional information that the council considers necessary to enable it to assess the financial requirements of the police service";

AND WHEREAS subsection 29(2) of The Police Services Act states "The council is responsible for establishing the total budget of the police service";

AND WHEREAS chapter 7 of the Manitoba Police Commission's policy manual states "The police board shall review the draft budget, including detailed submissions, at a special private board meeting for the purpose of budget review. In the review, the board members shall satisfy themselves that the budget is sufficient to maintain an adequate and effective police service";
AND WHEREAS City Council, through the Chief Financial Officer, provided the Board with an inter-office memorandum in May 2022 outlining the Budget Guidelines for the 2023 Budget Update;

AND WHEREAS per the Multi-Year Budget policy, Council may consider adjusting the approved operating projections and capital forecasts (of the current budget cycle - 2023);

AND WHEREAS the 2023 budget is balanced already and this year's budget process will highlight all changes recommended from the operating projections and capital forecasts to decision makers;

AND WHEREAS the Board has consulted extensively with the Winnipeg Police Service, reviewed reports prepared by the Service, considered projections of the Service's revenues and expenditures for the coming years and emerging strategic priorities, compared previous Service budgets, and complied with direction based on decisions made by the Budget Working Group;

AND WHEREAS the Committee of the Whole Board met in private on June 6, 2022, August 26, 2022, and November 18, 2022 to review budget estimates for the Winnipeg Police Service and risks were identified to Corporate Finance to communicate to the Budget Working Group;

DECISION MAKING HISTORY (continued):

WINNIPEG POLICE BOARD RECOMMENDATION:

AND WHEREAS the Committee of the Whole Board met in private on February 24, 2023 to review the Preliminary 2023 Operating and Capital Budget as tabled by the Executive Policy Committee at its meeting on February 8, 2023;

AND WHEREAS the Board, at its public meeting on March 10, 2023 reviewed the 2023 Preliminary Operating and Capital Budget for the Winnipeg Police Service.

THEREFORE, BE IT RESOLVED:

1. That the Board provide Council with an estimate of $326,595,934 as the total operating costs of the Winnipeg Police Service in 2023 that are required to maintain an adequate and effective police service in Winnipeg, with the proviso that there are risks associated with the $9,226,701 expenditure management target that could result in an over-expenditure authorization request in 2023;

2. That the Board advise Council that it estimates the net mill rate support required for the Winnipeg Police Service in 2023 at $280,924,975 based on a revenue estimate of $45,670,959;

3. That the Board provide Council with an estimate of $3,034,000 as the total cost for approved capital projects for the Winnipeg Police Service in 2023 that are required to maintain an adequate and effective police service in Winnipeg, with a proviso that there are risks such as replacement of critical equipment that remain unfunded. The Board acknowledges the 2023 capital projects will be funded by external debt, which will result in increased debt and financing costs in future years;

4. That the Board advise Council of the risks associated with this budget recommendation, specifically the factors that may impact the budgeted expenditure management target. The risks identified in the Winnipeg Police Service 2023 Preliminary Budget Update presentation include:

    A. the addition of critical positions in the 911 Communications Centre without the associated funding;

    B. inflation on fuel, fleet parts and equipment, and IT maintenance agreements;

    C. growing demand for policing services relative to increasing number of calls for service and the increase in the population of the city;

DECISION MAKING HISTORY (continued):

WINNIPEG POLICE BOARD RECOMMENDATION:

D. volume of major critical incidents escalating violent crime and complexity of investigations;

E. fine revenue from traffic enforcement continuing to trend down;

F. timing and outcome of the negotiation of new collective agreements that expired on December 31, 2021;

G. possible discontinuation of externally funded program agreements

H. operating budget risks and unfunded capital projects;

and;

5. That the Board has adhered to The Police Services Act and refers the 2023 Preliminary Operating and Capital Budget as they pertain to the Winnipeg Police Service and as tabled by Executive Policy Committee, to Council for their consideration.

And forwarded to Council.

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 8, 2023, the Executive Policy Committee tabled and referred the Preliminary 2023 Operating and Capital Budgets to the following budget review process:

Friday, March 3, 2023 – 9:30 a.m.	Standing Policy Committee on Public Works
Monday, March 6, 2023 – 9:30 a.m.	Standing Policy Committee on Community Services
Wednesday, March 8, 2023 – 9:30 a.m.	Standing Policy Committee on Water, Waste and Environment
Thursday, March 9, 2023 – 9:00 a.m.	Standing Policy Committee on Property and Development
Friday, March 10, 2023 – 9:30 a.m.	Winnipeg Police Board
Monday, March 13, 2023 – 9:30 a.m.	Executive Policy Committee – Budget Presentations
Tuesday, March 14, 2023 – 9:30 a.m.	Standing Policy Committee on Finance and Economic Development
Thursday, March 16, 2023 – 9:30 a.m.	Executive Policy Committee – Budget Delegations
Tuesday, March 21, 2023 – 2:30 p.m.	Executive Policy Committee – Final Budget Recommendations to Council
Wednesday, March 22, 2023 – 9:30 a.m.	Council